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The Director of Central Intelligence

Washington, D.C. 20505

11 December 1979

MEMORANDUM FOR THE PRESIDENT

During my last regular meeting with you it was noted that how and to what extent we can deal with the more radical Arab states will become increasingly important over the long term. At that time you asked if we could suggest some ideas as to how we could deal with the "Libyas" of the world. [REDACTED]

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The attached paper describes the factors affecting US relations with the more radical Arab states. I think you will find it interesting. The key point is that the nature of our future relations with these states fundamentally will depend on what the US policy will be with regard both to recognition of the Palestinian Liberation Organization and to the explicit backing of Palestinian self-determination. [REDACTED]

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/s/ Stansfield Turner

STANSFIELD TURNER

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Attachment:

[REDACTED]

(11 December 1979)

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CENTRAL INTELLIGENCE AGENCY
National Foreign Assessment Center

7 December 1979

MEMORANDUM

US RELATIONS WITH THE RADICAL ARABS [REDACTED]

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The radical Arabs' strongly nationalist and Third World orientation, their ties to the USSR, and their anti-Israel feelings make it unlikely that any actions taken by the US Government within the parameters of its traditional foreign policy will significantly improve relations with the radicals as a group in the coming year. Only a change in US policy to include recognition of the Palestine Liberation Organization and explicit backing for Palestinian self-determination would lead to a general improvement in relations, but even then serious differences would remain.

Views of these Arab states and the Palestine Liberation Organization toward the US vary widely, however, and there are thus opportunities for the US to improve its bilateral relations with some. A failure of the ongoing Egyptian-Israeli negotiations on West Bank autonomy to make significant progress would not in itself hinder US efforts to firm up its relationship with the radicals; the latter have never believed that the autonomy talks would end in an agreement acceptable to them.

The new government in Algeria has indicated that it would like closer relations with the US, and there are concrete steps the US could take to improve bilateral ties.

This paper was prepared in the Near East South Asia Division, Office of Political Analysis. It was coordinated in substance with the National Intelligence Officer for the Near East and South Asia, the Office of Strategic Research, the Office of Economic Research, and the Directorate of Operations. Comments and questions are welcome and may be addressed to Chief, Near East South Asia Division, OPA, on

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All portions are
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In recent years the Libyan government has also been seeking a more satisfactory relationship and US cooperation in several specific areas; this presumably is now a thing of the past, but Qadhafi's erratic nature makes even this uncertain. Iraq and Syria for the most part see the existing relationship as meeting their current needs, with the result that neither--barring a continued, serious deterioration of relations between Iran and Iraq--is likely to respond to US initiatives by seeking significantly closer or more public bilateral ties. Key leaders of the PLO would like a better relationship with the US, but their demands are so high that the US can at best expect only a continued uneasy truce in the near term. In only one case, South Yemen, is there no realistic potential for improved relations.

The fundamentals of the relationship between the US and the radical Arabs will remain unchanged so long as the US provides massive economic and military assistance to Israel, pushes Arab-Israeli negotiations that do not involve the PLO, and maintains a substantial military presence in the Mediterranean. But the radicals, like all Arabs, know that these things will not change. Those who seek better relations with the US, despite this realization, have lesser expectations. Typically, although with exceptions and varying emphasis, they want:

- Reduced or less public US military, economic, and political backing for their generally conservative opponents within the region (Morocco, Egypt, North Yemen);
- Access to US technology and equipment, especially aircraft, and increased trade;
- Reduced US military presence in the Persian Gulf and off the coast of Libya.
- Higher level US diplomatic representation;
- US pressure on Israel to temper its aggressive Jewish settlements policy in the occupied territories and its military actions in southern Lebanon;
- Reaffirmation of US backing for Palestinian rights and ideally the continued evolution of this position into support for Palestinian self-determination and recognition of the PLO;

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- US movement toward direct and acknowledged dealings with the Polisario Front;
- Economic assistance;
- More positive US reaction to concerns of the nonaligned movement.

The ability of the leaders of the radical Arab states to respond positively to US initiatives in any of these forms over the coming year will turn in large part on the outcome of the current crisis in Iran. Although the radical Arabs have praised the revolution in Iran, they have also been critical of the seizure of the US hostages and believe that the US to date has acted responsibly. In some cases, Arab irritation with Khomeini's tactics and the experience of working with the US on the hostage problem may help pave the way for an overall improvement of relations with the US. On the other hand, the radical Arabs would find it difficult to move toward closer relations if the US had taken actions in Iran that were popularly seen as attacks on Islam or threatening to the economic and military security of the area. US military action against Iran's oil installations or locations with religious significance, such as Qom, would of course create the gravest obstacles to any improvement in relations with the US.

The radical Arab states in general fear and feel inferior to the West, and to the US in particular. They will use every opportunity to exploit the current difficulties of the US, yet they privately want signals that the US considers them worthy and is not conspiring against them. They are sensitive to what they see as condescending superpower attitudes, and want to be treated as equals. If the US can react less to their rhetoric--recognizing it for what it is--and if it can conduct relations with them on a frank and equal basis, this will remove some latent distrust. This will mean explaining US actions in greater detail and in advance, as if the US were seeking their advice, as well as advising them of intended actions where possible.

A country-by-country review of the potential for improved relations with the radical states follows.

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Algeria

Given the expressed desire of Algerian President Bendjedid for improved relations with the US, efforts by the US to resolve existing military, diplomatic, and energy issues would be well received and probably would lead to marginally stronger bilateral ties. The United States could enhance military cooperation with Algeria by expediting Algeria's request for a defense attache in Washington, approving sales of C-130 transport aircraft, and increasing the provisions for US military training for Algerian nationals. Diplomatic efforts to ensure that the projected visit of Algerian President Bendjedid occurs and is successful would strengthen bilateral ties, as would the extension of similar invitations to other ranking officials. A US move toward a formal, public dialogue with Polisario leaders would be seen as evidence that the US favors a peaceful resolution of the Western Saharan conflict, and could provide a basis for future good relations if and when Polisario leaders come to power in an independent state.

Factors that would limit the success of any US effort to improve bilateral relations in the near term include Algeria's basic commitment to a socialist economy, its Third World outlook--as manifested in its support for Iran--the close Soviet-Algerian relationship, and Bendjedid's still insecure hold on power. The importance of these factors may diminish, however, if Bendjedid is able in the coming months to solidify his position and thus feel confident enough to pursue his clear preference for a closer relationship with the US. The US military supply relationship with Morocco will remain, of course, a further irritant to the Algerians.

Libya

Relations between the US and Libya seem virtually certain to deteriorate over the coming months in the wake of the attack on the US Embassy in Tripoli. The most obvious step for the US to take if it were to seek improved relations with the Libyans, however, would be to clear the way for the sale of the 747 and/or C-130 aircraft that have

been denied an export license. Libya has regarded the issue as a litmus test of US intentions, and relations will unquestionably worsen if the US stand is not reversed. Another significant move would be to raise the level of US representation in Libya to the rank of ambassador--something the Libyans have long sought (they are insisting that only an ambassador will be allowed direct meetings with Libyan leader Qadhafi). Libya is unique among radical Arab countries in having attempted for some time to improve relations with the US, both for prestige reasons and to protect against US backing for any move against Libya by Egypt. As Libyans see it, it is the US that has rebuffed Libyan overtures.

Qadhafi's personal ideological orientation probably precludes any meaningful cooperation on most issues; his behavior will continue to undercut efforts by others in the Libyan government to establish closer ties. Libya will continue to regard US military aid to Egypt as directed against itself. Qadhafi will continue to support "progressive", revolutionary regimes in a way that benefits long-term Soviet, rather than Western, interests. Even if Qadhafi cuts back on his support of terrorism--as he currently is--he regards Palestinians as freedom-fighters rather than terrorists and will continue to fund radical Palestinian groups. So long as output cannot be increased Libya has a special interest in keeping the price of oil high. Libya has been careful to date to retain a mutually profitable relationship with US oil companies, although this policy too could become a casualty of currently deteriorating bilateral relations.

Iraq

Some potential for an improved US-Iraqi relationship is offered by Iraq's opposition to the expansion of Soviet presence and influence in the Gulf region, by the danger posed by Khomeini and political fragmentation in Iran, and by Iraq's desire for trade with the West and for its technology. The opening is quite limited, however, because there remains a basic ideological hostility and strong tensions flowing from the US relationship with Israel.

Iraq wants access to Western technology, especially in the oil and aircraft sectors. Iraq's pragmatic President Saddam Husayn is willing to mute Iraq's differences with the US to the extent necessary to gain that access. The current limited bilateral relationship has facilitated trade in agricultural commodities and specialized goods and appears adequate from Iraq's point of view to ensure that end. Baghdad would prefer a more liberal US trade policy, but it probably would not be willing to pay much of a political price. It is possible that Washington could exploit an increased Iraqi interest in US oil technology and equipment if a recent report that Iraq intends to increase oil capacity proves to be accurate.

Iraq also shares with the United States an antipathy to the rise of Khomeini in Iran. His influence with Iraq's Shia community constitutes a threat to the minority Sunni government in Baghdad. Paradoxically, Iraq also sees danger in a weakening of Khomeini's power. Iraqis anticipate that further fragmentation in Iran will result in takeover by a leftist government more sympathetic to, and influenced by, the USSR. A strong Soviet position in Iran would greatly increase Soviet leverage over Iraq, once more tying its principal Persian Gulf rival to a superpower, capable of building up Iran's military capabilities. There is room for the US to exploit these concerns, but the opening is limited by Iraq's hostility, not just to Soviet penetration of the Persian Gulf, but to any outside foreign influence, especially that of the US. The willingness of the US to talk frankly to the Iraqis about options in Iran could possibly begin to break down some of the ideological barriers.

Syria

US relations with Syria will be strained as long as the peace process remains in a narrow forum such as the Egyptian-Israeli autonomy talks. If these talks fail and if Israel is internationally perceived as the cause of the failure, there will be opportunities to improve relations with Damascus substantially. Syria, looking for a more comprehensive forum and a formula that took account of all issues, might respond favorably to any US proposal along these lines.

The US could also take several other, less far-reaching steps that would show continuing US interest in Syria and might at least improve the tone of bilateral relations. Washington could adopt a more positive attitude on the sale of commercial aircraft and on non-lethal equipment to the Syrian military, for example, and it could attempt to encourage more US business investment in Syria, which would help to offset congressional reductions in foreign aid originally programmed for Syria. Any US actions to restrain Israel's active Jewish settlements policy in the occupied territories or its military involvement in Lebanon would, of course, be welcomed by the Syrians and would help strengthen relations with the US.

The constraints on such US action include Syria's continuing support of Palestinian terrorist activity through its surrogate, Saiga. Opinion in Congress is against Syria on this score and is becoming more negative because of Syria's recent public support of Iran. Given the obstacles facing business ventures in Syria there may not be much private sector interest.

Palestine Liberation Organization

Yasir Arafat and the moderates in his Fatah organization are attempting to gain US recognition of the PLO as the representative of Palestinian interests, US support for the principle of Palestinian self-determination, and US help in pushing Israel toward acceptance of these goals. Public statements by the US that it is sympathetic to these aims probably would be the necessary first step toward any significant overt improvement in relations between the US and the PLO. Arafat would probably be favorably influenced by a reaffirmation that the US does not consider the autonomy talks as the final act in the Middle East peace process and will continue negotiations with the aim of resolving the question of Palestinian political rights. Arafat would also consider as helpful such steps as US approval of a UN Security Council resolution on Palestinian political rights acceptable to the PLO, or an explicit US statement that the expanding PLO-European relations complement Middle East peace efforts.

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Any US actions that had the effect of restraining Israel's aggressive Jewish settlements policy in the occupied territories or its actions in southern Lebanon would also help to minimize strains in the US-Palestinian relationship.

There are constraints on the US ability to improve relations even with PLO moderates. The Palestinians' extreme wariness about taking any step that would appear to involve them in the Camp David process may cause them to misinterpret any US overtures for better relations. The PLO rejectionist groups, for their part, continue to exhibit militant opposition to the US and Israel.

South Yemen

South Yemen is the only country in the Middle East with no US presence and is the most violently anti-American Arab state. It has the only Marxist government in the Arab world and is the USSR's most dependent client. South Yemen recently concluded a Treaty of Friendship and Cooperation with the USSR; Iraq is the only other Arab state that has such a treaty in effect at this time. In these circumstances, there is virtually nothing that the US can do that would significantly improve bilateral US-Yemeni relations or lead the regime in Aden away from its close ties to the Soviet Union.

Before pro-Soviet President Ismail's purge of opponents in June 1978, South Yemen had approved an American initiative to send a delegation to explore the possibility of improving relations. However, given South Yemen's adamant opposition to the Camp David Accords, its closer ties to Moscow following Ismail's coup, US aid to North Yemen, and Aden's fears of US military intentions in the Persian Gulf area, it is very unlikely that any elements in the country's leadership would entertain the idea of rapprochement with the US. Ismail still has his challengers, but relations with the superpowers do not appear to be in dispute. There are sporadic indications of Yemeni displeasure at what they see as the low level of Soviet economic aid, and US-Yemeni relations conceivably could be improved by resuming trade--but this would be at best a marginal improvement.

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